



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF REVENUE

FOR IMMEDIATE RELEASE
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TENNESSEE DEPARTMENT OF REVENUE PROVIDES ANALYSIS OF JUNE 2003 COLLECTIONS

NASHVILLE, Tenn. — June 2003 collections of the Tennessee Department of Revenue were \$859,060,702, an increase of \$154,335,529 or 21.9 percent over June 2002 collections.

Sales and use tax collections were \$469,216,138, up \$77,732,808 or 19.9 percent over June 2002 collections. Tax rate increases accounted for more than 80 percent of the increased collections, with \$59,300,649 due to the 1 percent tax increase and \$4,051,328 due to the single-article tax. Including tax changes from the 2002 session, the retail trade group was up 18.4 percent over collections from last year. Contributing to the rise were auto dealers and service stations (up 26.8 percent), general merchandise stores (up 16.8 percent), eating and drinking places (up 21.1 percent), miscellaneous retail stores (up 16 percent), and building materials stores (up 19.9 percent). Sales tax receipts from the services group were up 19.3 percent over collections in June 2002, with business services (up 19.9 percent) and hotels and lodging places (up 24.5 percent) accounting for the greatest portion of the rise. The non-retail, non-services group was up 26.9 percent, led by communications (up 45.4 percent), wholesale trade (up 19.2 percent), manufacturing (up 19.6 percent), and electric, gas and sanitary services (up 21.2 percent).

Franchise and excise tax collections were \$183,031,341, up \$45,984,885 or 33.6 percent when compared to June 2002 collections. Separately, the franchise tax collections were \$66,654,630, up \$16,812,036 or 33.7 percent over last year. Excise tax collections were \$116,376,711, an increase of \$29,172,848 or 33.5 percent over June 2002 collections.

Business tax collections were \$33,838,429, an increase of \$17,198,111 or 103.4 percent over last year's collections.

Privilege tax collections increased \$13,489,193 or 55.8 percent over last year's collections to a total of \$37,679,663.

Tobacco tax collections were \$10,676,807, surpassing last year's collections by \$2,626,171 or 32.6 percent.

Motor vehicle registrations decreased \$2,340,347 or 10.6 percent from June 2002 levels to a total of \$19,741,029.

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Inheritance, gift and estate tax collections were \$6,032,430, a decline of \$1,573,435 or 20.7 percent from June 2002 collections.

The Department of Revenue collects approximately 92 percent of total state tax revenue. During the 2001-2002 fiscal year, the department collected \$7.4 billion in state taxes and fees. In addition to collecting state taxes, more than \$1.4 billion in local sales tax was collected by the department for local governments during the 2001-2002 fiscal year. In addition to collecting taxes, the department enforces the revenue laws fairly and impartially in an effort to encourage voluntary taxpayer compliance. The department also apportions revenue collections for distribution to the various state funds and local units of government. To learn more about the department, log onto www.Tennessee.gov/revenue.

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